

OUTER CONTINENTAL SHELF RIGHT-OF-WAY GRANT BOND

KNOW ALL MEN BY THESE PRESENTS, That we, _____

 of _____, as principal,
 and _____
 of _____, as surety,

are held and firmly bound unto the UNITED STATES OF AMERICA in the sum of three hundred thousand dollars (\$300,000), lawful money of the United States, which sum may be increased or decreased by a rider hereto executed in the same manner as this bond, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, successors, and assigns jointly and severally by these presents.

SCHEDULE A

NAME OF GEOGRAPHICAL AREA ON THE OUTER CONTINENTAL SHELF:

(See 30 CFR 250.1009 (b)(2))

Wherever used in this bond the words "any instruments," "instrument," or "any instrument" shall pertain to any grant of right-of-way issued, maintained, or approved under the Outer Continental Shelf Lands Act, 43 U.S.C. 1331 et seq., as amended (92 Stat. 629); hereinafter referred to as the Act, or the regulations issued pursuant thereto whereunder the principal has been granted the right to conduct pipeline operations in the Outer Continental Shelf, within the geographical area specified in Schedule A.

The conditions of the foregoing obligations are such that, whereas the said principal has been granted an interest in, or the right to conduct pipeline operations under, instruments issued or maintained under the act or regulations; and

WHEREAS the principal and surety agree that without notice to the surety the coverage of this bond, in addition to the present holdings of the principal, shall extend to and include:

1. Any instrument hereafter issued, entered into, or acquired by, the principal authorizing pipeline operations in the Outer Continental Shelf in the area named in Schedule A, this coverage shall become effective immediately upon such issuance or upon departmental approval of a transfer in favor of the principal.

2. Any extension of an instrument covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the instrument.

PROVIDED, THAT the surety may elect to have the additional coverage authorized under this paragraph become inapplicable as to interests of the principal acquired more than thirty (30) days after the receipt of notice of such election by the Minerals Management Service.

WHEREAS, the surety waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding:

1. A transfer or transfers either in whole or in part, of any or all of the instruments, and further agrees to remain bound under this bond as to the interests in any instrument retained by the principal when the approval of the transfer or transfers becomes effective.

2. Any modification of an instrument, or obligations thereunder; and

WHEREAS, the principal and surety hereby agree that notwithstanding the termination of any instrument covered by this bond, whenever the termination is by operation of law or otherwise, the bond shall remain in full force and effect as to all remaining instruments covered by the bond; and

WHEREAS, the principal and surety agree that the neglect or forbearance of the United States in enforcing, as against the holder of the grant the payment of rentals or the performance of any other covenant, condition or agreement of the grant, shall not, in any way, release the principal and surety, or either of them, from any liability under this bond; and

WHEREAS, the principal and surety agree that in the event of any default under the grant, the United States may commence and prosecute any claim, suit, action, or other proceeding against the principal and surety, or either of them, without the necessity of joining the holder.

NOW, THEREFORE, if said principal shall in all respects faithfully comply with all of the provisions of the instruments referred to hereinbefore, then the above obligations are to be void; otherwise to remain in full force and effect.

Signed on this day of , 20 , in the presence of:

NAMES AND ADDRESSES OF WITNESSES

(Principal)

(L.S.)

(Business Address)

(Surety)

(L.S.)

(Business Address)

If this bond is executed by a corporation or corporation surety, it must bear the seal of such corporation.